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US BANKRUPTCY COURT  
DISTRICT OF DELAWARE

**Honorable Judge John Dorsey**  
824 N Market St  
5th Floor, Courtroom 5  
Wilmington, DE 19801  
302-533-3169

December 29th, 2023

## OBJECTION

Dear Honorable Judge John Dorsey,

I am reaching out to you as an international creditor in the ongoing FTX bankruptcy proceedings. Being adversely affected financially due to my holdings in FTX, I wish to share my concerns about the management of FTX's assets, specifically the valuation approach of cryptocurrency for claim determination.

The current method, using the crypto asset values on the petition date to calculate claims, seems profoundly unfair. This does not acknowledge the inherent volatility of the cryptocurrency market, where asset values can dramatically shift in a brief timeframe. Valuing assets at the petition date may lead to a substantial undervaluation, failing to mirror their actual value or the potential recoveries for creditors like me.

I am worried that the rise in value of cryptocurrencies like BTC, ETH, and SOL since the petition date isn't factored into the current valuation. This creates an imbalance in the treatment of various assets. Bankruptcy laws and case law aim to achieve equitable solutions. The unique situation of FTX and its creditors requires a fair and equitable application of these laws to ensure a just resolution. The court should value claims based on fairness, particularly when there has been a significant change in circumstances.

Fairness should be a primary consideration in this bankruptcy case. Creditors deserve a valuation of their assets based on the current fair market value. The existing valuation method undermines this and unfairly disadvantages FTX clients, who are left to accept values that don't accurately represent the current market situation.

I urge the court to revisit the valuation method for crypto assets in the FTX bankruptcy case. For the integrity of the process and fair treatment of all creditors, it's vital that assets are valued in a way that truly reflects their current market worth.

I also want to mention a similar case to FTX's, the Mt. Gox bankruptcy. In 2014, Mt. Gox, a large crypto exchange, declared bankruptcy in Japan after losing a significant portion of client Bitcoin. As Bitcoin's value increased, creditors initially stood to be fully compensated in USD. However, the rising Bitcoin value meant fewer Bitcoins were required for full USD recovery, adversely affecting creditors' Bitcoin recoveries. Delays caused by subordinated creditors seeking to pay off in USD and claim the remaining estate further harmed creditors' recoveries due to increased administrative costs.

Thank you for considering these points. I trust that the court will decide in a manner that respects fairness and equity for all involved in this case.



Sincerely, Sebastian Chece

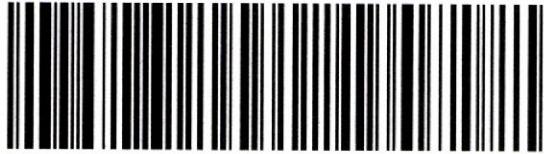
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Wilmington, DE 19801

